improvement of existing societies than on the registrati on of new societies. In the course of my address last year, I referred to the predominance of credit societies which merely offered facilities for borrowing and urged the need for devoting greater attention to other aspects of co-operative work. Signs are not wanting that the importance of non-credit work is being recognised, for, of the 23 societies newly registered in the first five months of the current year, five are non-credit agricultural or non-agricultural societies. For some years past, the Registrar of Co-operative Societies has been urging the need for strengthening the field staff of the department and the office staff under him so as to cope efficiently with the additional volume of work resulting from the natural expansion of the movement as evidenced by the growth in the number of societies. Government have sanctioned the appointment of four additional temporary Inspectors (thus raising the number of Inspectors to 27) and of five peons, one permanent clerk and two temporary copyists. The salaries of the Registrar's Personal Assistant and the Head clerk of the Registrar's office have been revised.

Forests.

15. The post of Special Forest Settlement Officer was abolished from the 1st Thulam 1105 and the work in respect of settling the remaining tracts was re-transferred to the Dewan Peishkars and the Commissioner, Devicolam. An extent of 500 acres was disafforested from the reserves. A fresh area of 554 acres was planted with teak under the *taungya* system. The outturn of the year was 1·37 million cubic feet of timber against 1·29 million cubic feet in 1104. The gross revenue of the department, excluding refunds, rose from Rs. 16·05 lakhs in 1104 to Rs. 16·65 lakhs in 1105, and the expenditure fell from Rs. 8·56 lakhs to Rs. 8·22 lakhs, with the result that the net revenue rose from Rs. 7·49 lakhs to Rs. 8·43 lakhs, the highest on record. The Government are considering means for expediting the disposal of the accumulated arrears of *kudivila* claims.

Excise.

16. Last year I referred to certain measures of Government adopted to promote temperance and introduced in connection with the biennial abkari contracts settled from the beginning of 1104. I may mention the further progress made in working out the avowed policy of Government and in implementing the recommendations of the Excise Committee. The rate of duty on jaggery arrack was raised from Bh. Rs. 4-as 12 to Bh. Rs. 5-as. 2 per proof gallon; and the issue of arrack of 25° U. P. was discontinued, the issue strength being fixed at 30° U. P. and 35° U. P. For the current contract period, the annual rates of tree tax were enhanced, from Bh. Rs. 3 as. 12 to Bh. Rs. 4 for palmyra palms, from Bh. Rs. 7 to Bh. Rs. 8 for cocoanut palms and from Bh. Rs. 14 to Bh. Rs. 16 for sago palms. The number of arrack and toddy shops, which was 1,732 at the close of 1105, has been reduced by 85, or 4·9 per cent., from the commencement of 1106. The experiment of local option is still being continued in the Changanacherry Municipality and its result watched.